UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

JUDY G. FISHER, on behalf of herself and all others similarly situated, Plaintiff, vs. CITIGROUP, INC., CHARLES O. PRINCE, ROBERT E. RUBIN, STEPHEN R. VOLK, SALLIE L. KRAWCHECK, GARY L. CRITTENDEN AND ROBERT DRUSKIN, Defendants.	Civil Action No.: 08 CV 01361 CLASS ACTION COMPLAINT FOR VIOLATIONS OF FEDERAL SECURITIES LAWS **JURY TRIAL DEMANDED**

CLASS ACTION COMPLAINT FOR VIOLATIONS OF FEDERAL SECURITIES LAWS

Plaintiff, Judy G. Fisher ("Plaintiff"), alleges the following based upon the investigation of Plaintiff's counsel, which included, among other things, a review of the defendants' public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Citigroup, Inc. ("Citigroup" or the "Company"), securities analysts' reports and advisories about the Company, and information readily available on the Internet.

NATURE OF THE ACTION

1. This is a federal class action on behalf of all purchasers of the common stock of Citigroup between April 17, 2006 and November 2, 2007, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Citigroup is a diversified financial services holding company whose businesses provide a wide range of financial services to consumer and corporate customers. Its operating segments include Global Consumer Group, Global Wealth Management, Corporate and

Investment Banking, and Alternative Investments. Citigroup is traded on the New York Stock Exchange under the Symbol: C.

3. Throughout the Class Period, defendants issued materially false and misleading statements about the Company's financial performance. Defendants concealed the Company's failure to write down impaired debt securities, known as Collateralized Debt Obligations ("CDO") that contained sub-prime mortgage debt. As a result of the defendants' false and misleading statements the Company's stock traded at artificially inflated prices during the Class Period.

4. On November 4, 2007, the Company issued two press releases; the first announcing that it would have to take a charge of between $8 billion and $11 billion during the fourth quarter due to impaired debt securities, CDOs, that had a value of $55 billion, and the second announcing the resignation of its Chairman and Chief Executive Officer Charles Prince.

5. On November 5, 2007, after Citigroup made the above disclosures, Citigroup's stock opened at $36.00, a decline of nearly 5% from the previous close of $37.73 on November 2, 2007 and a decline of 25% from October 12, 2007.

6. Analysts covering Citigroup questioned the previous disclosures made by the Company:

(a) Deutsche Bank
Citi also disclosed (we think for the first time) an additional $55B of mortgage-related structure investment product exposure, mostly of super senior tranches of CDOs ($43B)… Some experts in the CDO market suggest that actual sales (which have not taken place much) could ultimately be half of this amount, implying more big charges ahead.

(b) JP Morgan

The majority of the exposure against which Citi is taking a charge has never been disclosed before, not even in its 3Q earnings call even to indicate its existence, which is very surprising.

JURISDICTION AND VENUE

7. This Court has jurisdiction over the subject matter of this action pursuant to Section 27 of the Exchange Act, 15 U.S.C. §78aa and pursuant to 28 U.S.C. §1331. The claims asserted in this Complaint arise under Sections 10(b) and 20(a) of the Exchange Act of 1934, 15 U.S.C. §78j(b) and §78t(a), and Rule 10-b, 17 C.F.R. §240.10b-5, promulgated thereunder by the SEC, and therefore present federal questions.

8. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act and pursuant to 28 U.S.C. §1391(b). At all relevant times to this Complaint, Citigroup has had its corporate headquarters in this Judicial District. In addition, the wrongful conduct complained of in this Complaint, including the materially false and misleading statements that were prepared and disseminated to the investing public, occurred within this Judicial District.

9. In connection with the acts, conduct and other wrongs alleged in this Complaint, the Defendants, directly and indirectly, used the means and instrumentalities of interstate commerce including, but not limited to, the United States mail, interstate wire and telephone facilities, the facilities of the national securities markets and the Internet to distribute the false and misleading statements alleged herein.

PARTIES

10. Plaintiff, Judy G. Fisher, as set forth in the accompanying certification, incorporated by reference herein, purchased Citigroup's common stock at artificially inflated prices during the Class Period and has been damaged thereby.

11. Defendant Citigroup is a Delaware Corporation with its principal executive offices located at 399 Park Avenue, New York, New York 10043.

12. Defendant Charles O. Prince ("Prince") was Chairman of the Board from 2006 and CEO of Citigroup from 2003 until his resignation from the Company on November 2, 2007.

13. Defendant Robert E. Rubin ("Rubin") is, and at all relevant times was, Chairman of the Executive Committee of Citigroup, and as of November 2, 2007, upon the resignation of Prince, Chairman of the Board of Citigroup.

14. Defendant Stephen R. Volk ("Volk") is, and at all relevant times was, Vice Chairman of the Board of Citigroup.

15. Defendant Sallie L. Krawcheck ("Krawcheck") was Chief Financial Officer ("CFO") of Citigroup from 2004 until March 2007. In March 2007, Krawcheck assumed the positions of Chairman and CEO of Citigroup's Global Wealth Management Division.

16. Defendant Gary L. Crittenden (Crittenden") has served as CFO of Citigroup since March 2007.

17. Defendant Robert Druskin ("Druskin"), is and at all relevant times was, Chief Operating Officer ("COO") of Citigroup and a member of the Office of the Chairman of the Company.

18. Defendants Prince, Rubin, Volk, Krawcheck, Crittenden, and Druskin are collectively referred to hereinafter as the "Individual Defendants."

CLASS ACTION ALLEGATIONS

19. Plaintiff brings this case as a class action pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of herself and all other persons or entities who purchased Citigroup common stock from April 17, 2006 and November 2, 2007, inclusive. Excluded from the Class are Citigroup, its subsidiaries and affiliates, the Defendants, the Individual Defendants, members of the Defendants' immediate families, their legal

representatives, heirs, successors and assigns and any person acting in concert with or under the control of any Defendant.

20. During the Class Period, Citigroup's common stock was actively traded on an impersonal and efficient trading market, the NYSE. The members of the Class, for whose benefit this action is brought, are so numerous that joinder of all members is impracticable. While the exact number of Class Members is unknown to Plaintiff at this time, Plaintiff reasonably believes that there are thousands, if not tens of thousands, of members of the Class.

21. Plaintiff's claims are typical of the claims of other Class Members because the damages suffered by Plaintiff and all members of the Class arise from Defendants' wrongful conduct as alleged in this Complaint. Specifically, Plaintiff's claims and the claims of members of the Class arise out of the Defendants' issuance of false and misleading statements and false financial reporting during the Class Period.

22. Plaintiff is a representative party who will fairly and adequately protect the interests of the other members of the Class and has retained counsel competent and experienced in class action securities litigation. Plaintiff has no interests antagonistic to, or in conflict with, the interests of the Class it seeks to represent.

23. A class action is superior to the other available methods for the fair and efficient adjudication of the claims asserted in this Complaint because the Class is so numerous and geographically dispersed throughout the United States that it would be impractical for each member of the Class to bring separate actions or be joined in one individual action. Furthermore, because the damages suffered by the individual Class members may be relatively small, the expense and burden of individual litigation make it virtually impossible for the Class members to separately address the wrongs done to them. The likelihood of individual Class members

prosecuting separate claims is remote. Also, the adjudication of this controversy through a class action will avoid the possibility of inconsistent and possibly conflicting adjudications of the claims asserted herein.

24. Plaintiff anticipates no unusual difficulties in the management of this case as a class action. The names and addresses of record owners of the shares of Citigroup's common stock may be determined through the transfer agent, and notice can be provided to such persons through appropriate means of notice through publication, mailing and notices over business wire services in a form similar to those customarily used in class action litigation arising under the federal securities laws.

25. Common questions of law and fact exist as to all members of the Class and predominate over any questions affecting solely individual members of the Class. Among the common questions of fact are:

(a) whether the federal securities laws were violated by the Defendants' acts as alleged in this Complaint;

(b) whether Defendants participated in the alleged fraudulent scheme;

(c) whether Defendants misrepresented or failed to disclose material facts regarding the Company's business, management, operations, and financial condition, as more fully particularized herein;

(d) whether the Individual Defendants are "controlling persons" as the term is defined in Section 20(a) of the Exchange Act;

(e) whether the price of Citigroup's common stock was artificially inflated during the Class Period due to the material misrepresentations and omissions complained of herein; and

(f) whether the members of the Class have sustained damages, and if so, what is the proper measure of such damages.

FRAUD-ON-THE-MARKET DOCTRINE

26. Plaintiff will rely, in part, upon reliance established by the fraud on the market doctrine. The market for Citigroup common stock was at all times an efficient market for the following reasons:

(a) Citigroup common stock met the requirements for listing and was listed on the NYSE, a highly efficient and automated market, under the ticker symbol C;

(b) as a company registered pursuant to the provisions of the Exchange Act, Citigroup filed periodic public reports with the SEC and NYSE and was subject to the requirements for providing timely and accurate information to the investing public pursuant to the rules and regulations of the SEC;

(c) Citigroup securities trading volume was substantial during the class period;

(d) Citigroup was followed by various securities analysts, who wrote reports that were available through various automated retrieval services;

(e) Citigroup regularly communicated with public investors, analysts and market professionals generally regarding the release of current information, and generally assured that information was released over major newswire services on a current basis; and

(f) the market price of Citigroup reacted efficiently to new information entering the market.

27. The above facts demonstrate the existence of an efficient market for Citigroup stock and make applicable the fraud on the market doctrine. Thus, Plaintiff and other members

of the Class are entitled to a presumption of reliance with respect to the misstatements and omissions alleged in this Complaint.

FACTUAL ALLEGATIONS

Materially False and Misleading Statements Made During the Class Period

28. On April 17, 2006, Citigroup announced its first quarter financial results of 2006, in a press release which state in relevant part:

> Citigroup Inc. today reported net income for the first quarter of 2006 of $5.64 billion, or $1.12 per share. Return on common equity was 20.3%. Results include $846 million of compensation expense ($520 million after-tax) related to stock grants to retirement-eligible employees required under SFAS 123(R), and a $657 million tax benefit related to the resolution of a federal tax audit for the years 1999 to 2002.
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> **First Quarter Highlights**
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> - International earnings increased 47%, driven by record international revenues, up 19%.
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> - **Record corporate and investment banking revenues, up 21%, driven by strong franchise momentum.**
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>   - **Record international corporate and investment banking revenues, up 34% and net income, up 80%**
>
>   - **Record fixed income markets revenues of $3.15 billion, up 8%; record equity market revenues of $1.18 billion, up 67%; record investment banking revenue of $1.22 billion, up 34%**
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>   - #1 rank in global debt underwriting; #1 in announced global M&A; #2 in global equity underwriting
>
>   - Record transaction services revenues, up 22%, driven by double-digit growth in customer balances
>
> - In international consumer, earnings were up 21%, cards average loans grew 14%, and consumer lending and retail distribution of 18% and 8% respectively, and commercial business

core loans, up 23%. Card purchase sales increased 11%, while average managed receivables declined 2%.

- Record Smith Barney revenues, up 19% with client assets under fee-based management up 33%.

- The decline in net interest margin moderated to 6 basis points versus the fourth quarter 2005, with mix-driven spread compression in U.S. consumer partially offset by international consumer spread expansion.

- The credit environment remained favorable, including a significant decline in U.S. consumer bankruptcy filings.

- Operating expenses increased 17%, comprised of 7 percentage points from SFAS 123(R) charges, 9% due to organic business growth and acquisitions, and 1% due to investment spending.

- 238 new branches were opened, including 36 in the U.S. and 202 internationally.

- Share repurchases totaled $2 billion, or approximately 43 million shares.

Management Comment

"I am very pleased with our first quarter accomplishments, which included strong growth in client activity across many franchises. We are seeing the benefits from our investment spending, which helped generate record revenues in our international businesses and record revenues globally in our corporate and investment bank business. Strength in these franchises more than offset weaker results in our U.S. consumer business," said Charles Prince, Chief Executive Officer of Citigroup.

"We executed on our strategic initiatives, adding a record 238 new branches in 19 countries, as well as opening our first private business office in mainland China. We also enhanced our ability to serve more customers through the launch of Citibank Direct, our full-service internet bank, and through a partnership with 7-Eleven convenience stores, we added over 5,500 ATMs to our U.S. distribution network. We remain sharply focused on our strategic initiatives, leveraging our unique strengths to achieve long-term earnings growth and superior returns for our owners" said Prince. (emphasis added).

29. On July 17, 2006, Citigroup announced its results for the second quarter of 2006 in a press release which stated in relevant part:

> Citigroup, Inc. today reported net income for the second quarter of 2006 of $5.27 billion, or $1.05 per share. Return on common equity was 18.6%.
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> **Second Quarter Highlights**
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> - International earnings increased 17%, and international net income was up 11%.
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> - **Corporate and investment banking revenues were the second highest ever, increasing 31%, income up 26%.**
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>   - **International corporate and investment banking revenues up 23%; U.S. revenues up 44%**
>
>   - **Fixed income and equity markets revenues up 51% and 30%, respectively, despite volatile emerging market conditions. Investment banking revenue of were up 24%**
>
>   - YTD #1 rank in global debt underwriting; #2 in global announced M&A; #2 in global equity underwriting
>
>   - Record transaction services revenues and net income, up 26% and 18%, respectively, driven by double-digit growth in customer balances
>
> - International consumer revenues and net income grew 12% and 10%, respectively. Average loans were up 6% and deposits increased 9%. Retail banking investment sales grew 60%, and card purchase sales increased 15%.
>
> - U.S. consumer revenues and net income increased 1% and 11%, respectively. Average loans were up 14% and deposits increased 8%. Retail banking investment product sales increased 37%, and card purchase sales grew 12%.
>
> - Global wealth management revenues were up 19%, with client assets under fee-based management up 23%.

- International revenue increased 38% and U.S. revenues grew 16%

- Alternative investments revenues and net income declined, driven by lower private equity results.

- The net interest margin declined 14 basis points versus the first quarter 2006, with the increase in the sequential quarter decline driven by trading activities in capital markets and banking.

- The credit environment remained favorable, with significantly lower U.S. consumer bankruptcy filings.

- Operating expenses increased 16%, comprised of 12 percentage points due to organic business growth and acquisitions, 2% due to investment spending, and 2% due to SFAS 123(R) accruals.

- A record 270 new branches were opened, including 74 in the U.S. and 196 internationally. Year-to-date, 508 branches have been opened, of which 110 are in the U.S. and 398 internationally.

- Share repurchases totaled $2.0 billion, or approximately 41 million shares.

Management Comment

"In the second quarter, we achieved our second highest income from continuing operations while making significant progress on our strategic initiatives. We added a record number of new consumer branches during the quarter, bringing out total year-to-date branch openings to 508. We also opened corporate and investment banking offices in Kuwait and Dubai. The results from our newly launched Citibank e-savings business have been exceptional, with $4.2 billion of deposits since its launch 3 months ago – approximately two-thirds representing new money to Citibank," said Charles Prince, Chairman and Chief Executive Officer of Citigroup.

"In international consumer, strong volume growth across our franchise drove a 12% increase in revenues. U.S. consumer also achieved strong volume growth and, despite headwinds from spread compression, showed improving momentum from the first quarter. And in corporate and investment banking, we achieved our second highest revenues, despite challenging conditions in the emerging markets," said Prince.

> "We are very pleased with the momentum we are building as we execute on our strategic initiatives, strengthen our franchises, and position Citigroup for continued long-term earnings growth" said Prince. (emphasis added).

30. On October 19, 2006, Citigroup announced its results for the third quarter of 2006 in a press release which stated in relevant part:

> Citigroup Inc. today reported net income for the third quarter of 2006 of $5.5 billion, or $1.10 per share. Return on common equity was 18.9%.
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> **Third Quarter Summary**
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> • Total revenues were approximately even with third quarter 2005, as international revenue growth was offset by a decline in U.S. revenues, reflecting lower revenues in capital markets driven businesses.
>
> – International revenues increased 11%, with international consumer up 9%, international corporate and investment banking up 12%, an international wealth management up 33%.
>
> • U.S. consumer revenues and net income increased 1% and 23%, respectively. Average managed loans were up 12% and deposits increased 11%. Retail banking investment product sales increased 16%, and card purchase sales grew 9%.
>
> • International consumer revenues increased 9%, and net income was up 8%. Average loans grew 9% and deposits increased 9%. Retail banking investment sales grew 18%, and card purchase sales increased 18%.
>
> • Corporate and investment banking revenues and net income declined 6% and 4%, respectively.
>
> – Capital markets and banking revenues and net income declined 12% and 6%, respectively, driven by lower revenues in fixed income markets and equity underwriting, which was partially offset by growth in debt underwriting and advisory.

- YTD #1 ranking in global debt underwriting, #2 in global announced M&A, and #2 in global equity underwriting.

- Transaction services revenues were a record, up 20%, and net income increased 18%, driven by double-digit growth in customer balances.

- Global wealth management revenues increased 14%, and net income was up 30%. Fee-based and net interest revenues increased 26%, and client assets under fee-based management grew 22%.

- Alternative investments revenues and net income declined significantly, driven by lower results from private equity portfolios and liquid investments.

- The net interest margin declined by 11 basis points versus the second quarter 2006, primarily due to trading activities in capital markets and banking.

- The U.S. credit environment remained stable, with significantly lower consumer bankruptcy filings. The international consumer credit environment was generally stable, with the exception of higher credit costs recorded in certain countries, including Japan and Taiwan. In Japan, ongoing legislative and other actions affecting the consumer finance industry led to approximately $160 million in increased credit costs.

- Operating expenses increased 5%, comprised of 3 percentage points, or $320 million, due to increased investment spending and percentage points, or $195 million, due to SFAS 123(R) accruals. Excluding investment spending and SFAS 123(R) accruals, expenses were flat with the prior-year period.

- The effective tax rate for continuing operations was 27.4%, reflecting a $237 million tax benefit related to resolution of a tax audit. See schedule A for detail.

- A record 277 new branches were opened, including 101 in the U.S. and 176 internationally. Year-to-date, 785 branches have been opened, of which 211 are in the U.S. and 574 international.

- Share repurchases totaled $2.0 billion, or approximately 41 million shares. Over the last 12 months, share repurchases totaled $10.4 billion, or approximately 218 million shares.

> **Management Comment**
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> "Our third quarter results were driven by strength in several businesses, including international revenues, up 11%. In our U.S. consumer franchise, we are pleased with the trends we are seeing, and throughout the businesses we had good expense discipline. That said, results from our capital markets related business fell short of my expectations, and I expect improved results from these businesses going forward," said Charles Prince, Chairman and Chief Executive Officer of Citigroup.
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> "During the quarter, we continued to execute on our strategic initiatives, investing approximately $320 million to reach and serve our customers in more places, and more effectively. At the same time, we remained highly disciplined on our non-investment expenses. We also repurchased $2 billion of our common shares during the quarter."
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> "On September 26th, Moody's upgraded Citibank's credit rating to Aaa, a direct reflection of the strength and diversity of our franchise, and the way we are running our business. I am very proud of this accomplishment."
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> "As we move into the fourth quarter, our priorities remain clear: executing on our strategic initiatives to drive organic growth, targeted acquisitions, expense discipline, and generating revenue and earnings growth and superior returns for our owners," said Prince. (emphasis added).

31. On January 19, 2007, Citigroup announced its results for the full year of 2006, which included the fourth quarter of 2006, in a press release which stated in relevant part:

> Citigroup, inc. today reported net income for the 2006 fourth quarter of $5.13 billion or $1.03 per share. Results include previously disclosed charges of $415 million after-tax in Japan consumer finance to increase reserves and reposition the business. Return on common equity was 17.2%.
>
> For the full year 2006, net income was $21.54 billion, or $4.31 per share, and return on common equity was 18.8%...
>
> **Management Comment**

"Our results were highlighted by double-digit revenue growth in our corporate and investment banking, wealth management and alternative investment businesses. In U.S. consumer, we continued to see positive trends from our strategic actions. Performance in these businesses were partially offset by lower results in international consumer, which included significant charges in our Japan consumer finance business. Customer balances continued to grow strongly, partly driven by our investment in new distribution," said Charles Prince, Chairmen and Chief Executive Officer of Citigroup.

"During the quarter, we continued to expand our business through a balance of organic investment and targeted acquisitions. We opened a record number of branches and continued to invest in our technology and our people. We also announced five acquisitions, all to expand our international franchise. We led a consortium that acquired 85% of Guangdong Development Bank in China. In Central America, we announced the acquisition of Grupo Financiero Uno, a consumer credit card franchise, and Grupo Cuscatlan, a corporate and consumer bank. We also announced the acquisition of Quilter, on of the United Kingdom's most respected wealth advisory firms, and the acquisition of a 20% stake in Akbank, a leading Turkish bank, said Prince.

"Our 2007 priorities are clear: generating sustainable growth in the U.S. consumer, growing international consumer, corporate and investment banking and wealth management businesses more quickly, focusing sharply on expense management, and remaining highly disciplined in credit management. We will continue to invest to integrate our businesses and expand our reach, while at the same time taking a thorough review of our entire expense base to ensure that we operate as efficiently as possible," said Prince.

Fourth Quarter Summary

- Revenues were a record, up 15%, driven by 14% revenue growth in corporate and investment banking, 79% in alternative investments and 21% in global wealth management. Global consumer revenues increased 9%.

    - International revenues grew 9%, with international corporate and investment banking up 20%, an international wealth management up 48%. International consumer revenues increased 2%, including impact of charges in Japan consumer finance.

- U.S. consumer revenues and net income increased 1% and 23%, respectively. Average managed loans were up 12% and deposits increased 11%. Retail banking investment product sales increased 16%, and card purchase sales grew 9%.

- Deposits and loans grew 20% and 16%, respectively. In global consumer, investment AUMs increased 17$. Capital markets and banking ranked #1 in global debt underwriting, #2 in announced M&A and #2 in global equity underwriting and global loan syndications for the full year 2006. In global wealth management, client assets under fee-based management grew 15%.

- Operating expenses increased 23%, including 4 percentage points due to increased investment spending, 3 percentage points due to acquisitions and foreign exchange, and 2 percentage points due to SFAS 123(R) accruals. The remaining expense growth was driven by higher business volumes, and the absence of a net release of legal reserves that lowered expenses in the prior-year period.

    - The company opened a record 380 new branches, including 288 internationally and 92 in the U.S. For the full year 2006, a record 1,165 branches have been opened, of which 862 are international and 303 are the U.S.

- Credit costs increased 10%, as lower costs in U.S. consumer were more than offset by increased credit costs in international consumer and corporate and investment banking. U.S. consumer credit costs declined due to lower bankruptcy filings. In international consumer, credit costs primarily reflected portfolio growth, including a significant increase in Mexico due to target market expansion. The international and U.S. consumer credit environment was generally stable. The global corporate credit environment also remained stable.

- Excluding charges in Japan consumer finance, the interest margin was even with the 2006 third quarter.

- Share repurchases totaled $1 billion, or approximately 19 million shares. For the full year 2006, share repurchases totaled $7 billion and dividends paid to common shareholders totaled $9.8 billion.

32. On April 16, 2007, Citigroup announced its results for the first quarter of 2007, in a press release which stated in relevant part:

Citigroup, Inc. today reported net income for the 2007 first quarter of \$5.01 billion, or \$1.01 per share. Results include a previously disclosed charge of \$1.38 billion, or \$871 million after-tax, related to a structural expense review conducted during the quarter. Excluding the charge, net income was \$5.88 billion, or \$1.18 per share. Return on common equity was 17.1%.

Management comment

"We generated strong momentum this quarter, with revenues increasing 15% to a record, driven by growing customer business volumes. Global consumer deposits were up 12% and global consumer loans grew 11%. In our international franchises, revenues grew 18%, led by international markets & banking revenue up 20%. Our revenue growth combined with improving expense management and, after adjusting for certain non-recurring items, we generated positive operating leverage. Offsetting our improved revenue and expense performance were higher credit costs and a lower level of tax benefits than last year" said Charles Prince, Chairman and Chief Executive Officer of Citi.

"We continued to invest in expanding our distribution and enhancing our technology as we build a broad, strong foundation for future growth. We also announced the acquisition of Egg, Ltd. in the U.K., the world's largest internet bank, and we launched a tender offer to acquire 100% of Nikko Cordial of Japan, consistent with our effort to drive growth through a balance of organic investment and targeted acquisitions and expand internationally" said Prince.

"We achieved these results while completing our structural expense review, which will help us become a leaner, more efficient organization and lower our rate of expense growth. As we look ahead, our priorities are clear: we will invest to grow and integrate our businesses, take actions to improve efficiency and lower costs, and continue to build momentum across our franchises," said Prince.

First Quarter Summary

- **Revenues were a record, up 15%, driven by 23% revenue growth in markets & banking, including record revenues in fixed income and equity markets, investment banking and transaction services.** International consumer revenues grew 14% and global wealth management revenues were

a record, up 13%. U.S. consumer revenue growth continued to trend positively, up 6%.

- Revenue growth reflected customer volume growth. Deposits and loans grew 18% and 15%, respectively. In global consumer, AUMs increased 12%. Securities and banking ranked #1 in global debt and equity underwriting and #2 in completed M&A for the first quarter. In global wealth management, client assets under fee-based management grew 13% and client capital in alternative investments grew 52%.

- Net interest revenues grew 8% as volume growth was partially offset by net interest margin compression.

- Excluding the impact of gray zone in Japan consumer finance, the net interest margin declined 14 basis points versus the fourth quarter 2006, with slightly less than half of the decline in trading portfolios.

• **Operating Expenses** increased 17%, including a $1.38 billion charge related to a structural expense review completed in the quarter. Excluding the charge, compensation accruals related to the revenue impact adopting SFAS 157, and $648 million pre-tax in SFAS 123(R) accruals recorded in the prior-year period, expenses grew 10%, driven by increased business volumes and investment spending.

- The company opened 99 new branches during the quarter, including 48 internationally and 51 in the U.S.

• **Credit Cards** increased $1.26 billion, primarily driven by an increase in net credit losses of $509 million and a net charge of $597 million to increase loan loss reserves. The $597 million net charge compares to a net reserve release of $154 million in the prior-year period.

- In U.S. consumer, higher credit costs reflected an increase in net credit losses of $164 million and a net charge of $182 million to increase loan loss reserves. The $182 million net charge compares to a net reserve release of $196 million in the prior-year period. Credit costs increased primarily in U.S. consumer lending and U.S. retail distribution, reflecting portfolio growth, an increase in delinquencies in second mortgages, and a change in estimate of loan losses inherent in the portfolio.

> – In international consumer, higher credit reflected an increase in net credit losses of $331 million and a net charge to increase loan loss reserves of $112 million. higher credit costs primarily reflected portfolio growth, including target market expansion in Mexico cards and the integration of Credicard in Brazil, increased net credit losses in Japan consumer finance, and a change in estimate of loan losses inherent in the portfolio. The international consumer credit environment was generally stable.
>
> – Markets & banking credit costs increased primarily due to a net charge of $286 million to increase loan loss reserves due to portfolio growth, which includes higher commitments to leveraged transactions and an increase in loan tenor. The $286 million net charge compares to a $33 million net charge to increase reserves in the prior-year period. The global corporate credit environment remained stable. (emphasis added).

33. On July 20, 2007, Citigroup announced its results for the second quarter of 2007, in a press release which stated in relevant part:

> Citigroup, Inc. today reported net income for the 2007 second quarter of $6.23 billion, or $1.24 per share, both up 18%. International revenues and net income were a record, up 34% and 35% respectively. Return on equity was 20.1%.
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> **Management Comments**
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> "We have very clear priorities to drive growth and we are executing on all of them. We generated record revenues, up 20%, and record earnings from continuing operations, up 18% both driven by our record international results," said Charles Prince, Citi Chairman and Chief Executive Officer.
>
> "We continued to generate revenue and volume growth in our U.S. consumer franchise, while making excellent progress in re-weighting Citi toward our other businesses, especially our international franchises, where revenues and net income increased over 30%. Our capital markets-driven businesses performed extremely well and international consumer revenues and volumes grew at a double-digit pace," said Prince.
>
> "We also began to implement the structural expense initiatives announced in April, which are generating improved efficiencies.

These initiatives, coupled with strong revenue growth, drove positive operating leverage this quarter and helped offset increased credit costs."

"We made excellent progress in expanding our business through targeted acquisitions, completing three international transactions, including an increase in our ownership of Nikko Cordial Corporation in Japan to 68%," said Prince.

SECOND QUARTER SUMMARY

- **Revenues** were a record, up 20%, led by 34% growth in international revenues. International markets & banking revenues grew 50%, international consumer revenues increased 16%, and wealth management revenues more than doubled.

  - International revenues grew 9%, with international corporate and investment banking up 20%, an international wealth management up 48%. International consumer revenues increased 2%, including impact of charges in Japan consumer finance.

  - Revenue growth reflected double-digit customer volume growth. Deposits and loans grew 20% and 17% respectively. Securities and banking ranked #1 in global debt underwriting, #2 in announced M&A, #3 in global equity underwriting, and achieved record revenues in equity markets and transaction services. In global wealth management, client assets under fee-based management grew 40%, and client capital in alternative investments increased 55%.

  - Strong growth drove a 16% increase in net interest revenues

  - Excluding the impact of acquisitions, organic revenue growth was 16%

  - The net interest margin declined 6 basis points versus the first quarter 2007, as the benefit from lower cost of funds was offset by growth in lower yielding trading assets.

- **Operating Expenses** increased 16%, driven by increased business volumes and acquisitions, which were partially offset by savings from structural expenses initiatives announced in April

2007, and the release of $300 million of litigation reserves reflecting our continued progress in favorably resolving WorldCom/Research matters.

- The company opened or acquired 160 new retail bank or consumer finance branches during the quarter, including 136 internationally and 24 in the U.S. Over the last twelve months, 1,001 retail bank and consumer finance branches have been opened or acquired.

- Excluding the impact of acquisitions, organic expense growth was 12%.

- **Credit Cards** increased $934 million, primarily driven by an increase in net credit losses of $259 million and a net charge of $465 million to increase loan loss reserves. The $465 miillion net charge compares to a net reserve release of $210 million in the prior-year period.

  - In U.S. consumer, higher credit costs reflected an increase in net credit losses of $183 million and a net charge of $245 million to increase loan loss reserves. The $245 million net charge compares to a net reserve release of $274 million in the prior-year period. The increase in net credit losses and loan loss reserves primarily reflected higher delinquencies in second mortgages in consumer lending, a change in estimate of loan losses inherent in the cards portfolio, and portfolio growth.

  - In international consumer, higher credit costs reflected an increase in net credit losses of $155 million and a net charge to increase loan loss reserves of $236 million. The $236 million net charge compares to a net reserve release of $62 million in the prior-year period. The increase in net credit losses and loan loss reserves primarily reflected portfolio growth, an increase in past due accounts and portfolio seasoning in Mexico cards, higher net credit losses in Japan consumer finance, and the impact of recent acquisitions.

  - Market & banking credit costs declined, reflecting a stable global credit environment and the absence of a $118 million net increase to loan loss reserves recorded in the prior-year period.

THE TRUTH BEGINS TO EMERGE

34. On October 15, 2007, Citigroup announced its third quarter 2007 results in a press release, which stated in relevant part:

> Citigroup, Inc. today reported net income for the 2007 third quarter of $2.21 billion, or $0.44 per share, a decline of 60% from the prior-year quarter. Results include a $729 million pre-tax gain on the sale of Redecard shares. Return on equity was 6.9%. On October 1, 2007, Citi announced that it expected a third quarter 2007 net income to decline in the range of 60%, subject to finalizing third quarter results.
>
> **Management Comment**
>
> "This was a disappointing quarter, even in the context of the dislocations in the sub-prime mortgage and credit markets. A significant amount of our income decline was in our fixed income business, where we have a long track record of strong earnings, and this quarter's performance was well below our expectations. Although we generated strong momentum in many of our franchises, our fixed income results, along with higher credit costs in global consumer, led to significantly lower net income," said Charles, Prince, Chairman and CEO.
>
> "Importantly, may of our businesses performed well this quarter. Our international franchise continued to expand rapidly, with revenues up 29%. Our global wealth management franchise generated record revenues and transaction services posted another record quarter on double-digit earnings growth. In securities and banking, equity markets and underwriting revenues were up a combined 33%, and our advisory revenues grew 29%. Volumes in our consumer franchise continued to grow strongly with deposits up 18%, managed loans up 13%, and we opened 96 new branches around the world," said Prince.
>
> "As we move into the fourth quarter, we are focusing closely on improving those areas where we performed below expectation, while at the same time continuing to execute on our strategic priorities," said Prince.
>
> **THIRD QUARTER SUMMARY**
>
> - **Revenues** were up 5%, led by 29% growth in international revenues.

– Global consumer revenues increased 14%, driven by international consumer up 35%, which included a $729 million pre-tax gain on the sale of Redecard shares. Excluding the gain, international consumer revenues increased 21%, reflecting deposit and loan growth of 18% and 29%, respectively, and higher investment sales, up 26%. U.S. consumer revenues were flat with the prior-year period as deposit and managed loan growth of 16% 8%, respectively, was offset by lower securitization results in cards and the absence of gains on sale of securities in the prior-year period in consumer lending.

– **Markets & banking revenues declined 29%, reflecting record transaction services revenues, up 38%, offset by a 50% decline in securities and banking. Securities and banking revenues declined due to the write-downs and losses related to dislocations in the mortgage-backed securities and credit markets, including:**

- **Write-downs of $1.35 billion pre-tax, net of underwriting fees, on funded and unfunded highly leveraged financed commitments.**

- **Losses of $1.83 billion pre-tax, net of hedges, on the value of sub-prime mortgage-backed securities warehoused for future collateralized debt obligation ("CDO") securitizations, CDO positions, and leveraged loans warehoused for future collateralized loan obligation ("CLO") securitizations.**

- **Losses of $636 million pre-tax in fixed income credit trading due to significant market volatility and the disruption of historical pricing relationships**

U.S. markets & banking revenues declined 98% and international revenues grew 6%. International revenues included strong double-digit revenue growth in Asia, Latin America, and Mexico.

– Global wealth management revenues increased 41%, as U.S. revenues grew 14% and international

revenues more than doubled, due to double-digit organic growth and increased ownership in Nikko Cordial.

– Alternative investments revenues declined 63% as strong growth in client revenues was offset by lower revenues from proprietary investment activities.

– Excluding acquisitions and the gain on sale of Redecard shares, total organic revenues declined 4%.

– The net interest margin declined 3 basis points versus the second quarter 2007.

- **Operating expenses** increased 22%, driven by increased business volumes and acquisitions, which were partially offset by savings from structural expense initiatives announced in April, 2007.

– The company opened 96 new retail bank or consumer finance branches during the quarter, including 47 internationally and 49 in the U.S. Over the last twelve months, 820 retail bank and consumer finance branches have been opened or acquired.

– Excluding the impact of acquisitions, organic expense growth was 14%.

–

- **Credit costs** increased $2.98 billion, primarily driven by an increase in net credit losses of $780 million and a net charge of $2.24 billion to increase loan loss reserves.

– In U.S. consumer, higher credit costs reflected an increase in net credit losses of $278 million and a net charge of $1.30 billion to increase loan loss reserves. The $1.30 billion net charge compares to a net reserve release of $197 million in the prior-year period. The increase in credit costs primarily reflected a weakening of leading credit indicators, including increased delinquencies on mortgages and unsecured personal loans, as well as trends in the U.S. macro-economic environment, portfolio growth, and a change in estimate of loan losses inherent in the portfolio but not yet visible in delinquencies ("a change in estimate of loan losses").

– In international consumer, higher credit costs reflected an increase in net credit losses of $460 million

> and a net charge of $717 million to increase loan loss reserves. The $717 million net charge compares to a net charge of $101 million in the prior-year period. The increase on credit costs primarily reflected the impact of recent acquisitions, portfolio growth, and a change in estimate of loan losses.
>
> – Markets & banking credit costs increased $98 million, primarily reflecting higher net credit losses and a $123 million net charge to increase loan loss reserves for specific counterparties. Credit costs reflected a slight weakening in portfolio credit quality. (emphasis added).

THE TRUTH EMERGES

35. On November 4, 2007, Citigroup issued a press release titled "Citi's Sub-Prime Related Exposure in Securities and Banking." The release stated, in relevant part:

> **Citigroup Inc. announced today significant declines since September 30, 2007 in the fair value of the approximately $55 billion in U.S. sub-prime related direct exposures in its Securities and Banking (S&B) business. Citi estimates that, at the present time, the reduction in revenues attributable to these declines ranges from approximately $8 billion to $11 billion (representing a decline of approximately $5 billion to $7 billion in net income on an after-tax basis).**
>
> These declines in the fair value of Citi's sub-prime related direct exposures followed a series of rating agency downgrades of sub-prime U.S. mortgage related assets and other market developments, which occurred after the end of the third quarter. The impact on Citi's financial results for the fourth quarter from changes in the fair value of these exposures will depend on future market developments and could differ materially from the range above.
>
> Citi also announced that, while significant uncertainty continues to prevail in financial markets, it expects, taking into account maintaining its current dividend level, that its capital ratios will return within the range of targeted levels by the end of the second quarter of 2008. Accordingly, Citi has no plans to reduce its current dividend level.
>
> The $55 billion in U.S. sub-prime direct exposure in S&B as of September 30, 2007 consisted of (a) approximately $11.7

billion of sub-prime related exposures in its lending and structuring business, and (b) approximately $43 billion of exposures in the most senior tranches (super senior tranches) of collateralized debt obligations which are collateralized by asset-backed securities (ABS CDOs).

Lending and Structuring Exposures

Citi's approximately $11.7 billion of sub-prime related exposures in the lending and structuring business as of September 30, 2007 compares to approximately $13 billion of sub-prime related exposures in the lending and structuring business at the end of the second quarter and approximately $24 billion at the beginning of the year.[1] The $11.7 billion of sub-prime related exposures includes approximately $2.7 billion of CDO warehouse inventory and unsold tranches of ABS CDOs, approximately $4.2 billion of actively managed sub-prime loans purchased for resale or securitization at a discount to par primarily in the last six months, and approximately $4.8 billion of financing transactions with customers secured by sub-prime collateral.[2] These amounts represent fair value determined based on observable transactions and other market data. Following the downgrades and market developments referred to above, the fair value of the CDO warehouse inventory and unsold tranches of ABS CDOs has declined significantly, while the declines in the fair value of the other sub-prime related exposures in the lending and structuring business have not been significant.

ABS CDO Super Senior Exposures

Citi's $43 billion in ABS CDO super senior exposures as of September 30, 2007 is backed primarily by sub-prime RMBS collateral. These exposures include approximately $25 billion in commercial paper principally secured by super senior tranches of high grade ABS CDOs and approximately $18 billion of super senior tranches of ABS CDOs, consisting of approximately $10 billion of high grade ABS CDOs, approximately $8 billion of mezzanine ABS CDOs and approximately $0.2 billion of ABS CDO-squared transactions.

Although the principal collateral underlying these super senior tranches is U.S. sub-prime RMBS, as noted above, these exposures represent the most senior tranches of the capital structure of the ABS CDOs. These super senior tranches are not subject to valuation based on observable market transactions. Accordingly, fair value of these super senior exposures is based on

> estimates about, among other things, future housing prices to predict estimated cash flows, which are then discounted to a present value. The rating agency downgrades and market developments referred to above have led to changes in the appropriate discount rates applicable to these super senior tranches, which have resulted in significant declines in the estimates of the fair value of S&B super senior exposures.
>
> <u>Other Information</u>
>
> The fair value of S&B sub-prime related exposures depends on market conditions and assumptions that are subject to change over time. In addition, if sales of super senior tranches of ABS CDOs occur in the future, these sales might represent observable market transactions that could then be used to determine fair value of the S&B super senior exposures described above. As a result, the fair value of these exposures at the end of the fourth quarter will depend on future market developments.
>
> Citi has provided specific targets for its two primary capital ratios: the Tier 1 capital ratio and the ratio of tangible common equity to risk-weighted managed assets (TCE/RWMA ratio). Those targets are 7.5% for Tier 1 and 6.5% for TCE/RWMA. At September 30, 2007, Citi had a Tier 1 ratio of 7.3% and a TCE/RWMA ratio of 5.9%.
>
> Citi is providing the above information in light of recent market developments. Citi's quarterly report for the period ending September 30, 2007 will contain other information regarding S&B and Citi's other businesses.
>
> Citi expects that market conditions will continue to evolve, and that the fair value of Citi's positions will frequently change. Given these anticipated fluctuations, Citi does not intend to update the information provided in this release until it announces its fourth quarter 2007 earnings in January 2008. Investors also should not expect Citi to provide information about the results of future quarters in advance of scheduled quarterly earnings announcement dates. (Footnotes omitted) (Emphasis added)

36. Later, on November 4, 2007, Citigroup announced the resignation of Prince, then-current CEO and Chairman of the Board of Directors of Citigroup, in a release that stated, in relevant part:

> The Board of Directors of Citigroup Inc. today announced that Robert E. Rubin, Chairman of the Executive Committee of Citi and a member of the Board of Directors, will serve as Chairman of the Board.
>
> In addition, Sir Win Bischoff, Chairman of Citi Europe and a member of Citi's Business Heads, Operating and Management Committees, will serve as acting Chief Executive Officer. The Board also announced that Charles Prince, Chairman and Chief Executive Officer, has elected to retire from Citi. The Board has designated a special committee consisting of Mr. Rubin, Alain J.P. Belda, Richard D. Parsons, and Franklin A. Thomas to conduct the search for a new CEO.
>
> Mr. Prince commented, "We have made strong progress in our strategy for building for the future, evidenced in the momentum we have achieved in most of our businesses. Nevertheless, it is my judgment that given the size of the recent losses in our mortgage- backed securities business, the only honorable course for me to take as Chief Executive Officer is to step down. This is what I advised the Board.
>
> "It has been my privilege to lead this powerful diversified financial services company for the past four years and to be affiliated with the directors, shareholders and employees of Citi and its predecessor companies for the past 29 years. I am proud of the significant progress we have made in rapidly building and expanding the scope of our businesses internationally, strengthening our businesses domestically, and restoring excellent relationships with our regulators throughout the world."

37. On the news of the writedowns and Prince's resignation, Citigroup's stock price plummeted to open trading on November 5, 2007 at $36.00, a decline of nearly 5% from the previous closing price on November 2, 2007 and a decline of over 25% from October 12, 2007.

38. The true facts known by defendants, but concealed from the investing public during the Class Period, were:

(a) Defendant's investment portfolio contained billions of dollars worth of CDOs that were composed of risky assets, many of which were sub-prime mortgage loans;

(b) Defendants failed to properly account for highly leverage loans; and

(c) Defendants failed to record an impairment to debt securities which they knew or disregarded were impaired, causing the Company's reported financial results to be false and misleading.

39. Analysts covering Citigroup questioned the previous disclosures made by the Company:

(a) Deutsche Bank
Citi also disclosed (we think for the first time) an additional $55B of mortgage-related structure investment product exposure, mostly of super senior tranches of CDOs ($43B)... Some experts in the CDO market suggest that actual sales (which have not taken place much) could ultimately be half of this amount, implying more big charges ahead.

(b) JP Morgan

The majority of the exposure against which Citi is taking a charge has never been disclosed before, not even in its 3Q earnings call even to indicate its existence, which is very surprising.

40. As *Business Week* reported on November 6, 2007, in an article about Citigroup's leadership void:

A Matter of Accounting

Any candidate would have to think long and hard about taking on the task of cleaning up Citi (BusinessWeek.com, 11/1/07). On Monday, Rubin and other top executives told investors about yet another recalculation of its third-quarter losses and a staggering charge for the upcoming quarter. The company said it will take writedowns of $8 billion to $11 billion in the fourth quarter, after the $6.5 billion in writedowns it took in the third quarter. Citi also said it is lowering its previously stated third-quarter profit of $2.38 billion by $166 million, to $2.21 billion. The change reflected a more up-to-date view of the declining value of fixed-income assets.

But the uncertainty may be more unsettling than the specific figures. Rubin and Crittenden presided over a call with analysts that made it clearer than ever that Citi doesn't know when

> or where the problems will end. Because the credit markets are illiquid, with some securities not trading at all, it's impossible to know the full extent of Citi's losses or whether more writedowns are on the way. Rubin and Crittenden made that point crystal clear: "There's no way, I think, anyone can give you assurance of how things are going to move," said Crittenden. "We've taken what I think is a reasonable stab."
>
> * * *
>
> Some investors believe Citi could be forced to take more writedowns, if the prices of collateralized debt obligations continue to fall. "We estimate that Citi ahs written down about one quarter of its CDO [collateralized debt obligations] exposure, which might not be enough," says analyst Mike Mayo of Deutsche Bank (DB). "Information risk is huge because we don't know where the $55 billion of exposure has been written down," he adds.

41. On November 7, 2007, Citigroup disclosed it had given its off-balance-sheet investment funds, known as structure investment vehicles ("SIVs") $10 billion of available credit and the SIVs had drawn $7.6 billion of credit as of October 31.

SCIENTER ALLEGATIONS

42. As alleged herein, Defendants, as officers, directors and/or controlling persons of a publicly held company whose securities are registered with the SEC under the Securities Act of 1933, traded on the NYSE, and governed by the provisions of the Exchange Act, the Individual Defendants had a duty to promptly disseminate accurate and truthful information with respect to Citigroup's operations and financial condition, and to correct any previously issued statements that had become untrue, and to disclose any trends that could materially affect earnings and the present and future operating results of Citigroup, so that the market price of its publicly traded securities would be based on truthful and accurate information.

43. During the Class Period, the Individual Defendants were senior officers and/or directors of Citigroup and were privy to confidential and proprietary information concerning Citigroup, its operations, finances, financial condition, revenues and present and future business

prospects. Because of their possession of such information, the Individual Defendants acted with scienter in that they knew that the public documents and statements, issued or disseminated by or in the name of the Defendants or the Company were materially false and misleading; knew or recklessly disregarded that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated in the issuance or dissemination of such statements or documents, and are primary violators of the federal securities laws. The Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Citigroup's business operations, their control over Citigroup's allegedly materially misleading misstatements and/or their control over and close association with the Company, which make them privy to confidential information concerning all of Citigroup's activities and operations, were active and culpable participants in the fraudulent scheme alleged herein. The Individual Defendants, and, through them, Citigroup, knew and/or recklessly disregarded the false and misleading nature of the information which they caused to be disseminated to the investing public. The fraudulent scheme described in this Complaint could not have been perpetrated without the knowledge and complicity of the Individual Defendants, who were Citigroup's top executives and hands-on managers.

44. The Individual Defendants are liable as participants in a fraudulent scheme and course of conduct that operated as a fraud or deceit on purchasers of Citigroup's securities by disseminating materially false and misleading statements and/or concealing material, adverse facts. The scheme: (i) deceived the investing public regarding Citigroup's business, operations, and management about the intrinsic value of Citigroup securities and (ii) caused the Plaintiff and the other members of the Class to purchase Citigroup's securities at artificially inflated prices.

NO SAFE HARBOR

45. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. To the extent any of the specific statements pleaded herein were identified as "forward-looking statements," there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements.

46. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements alleged herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements were made, the speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and approved by executive officers of Citigroup who knew that those statements were false when made.

COUNT I

Violation of Section 10(b) of The Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants

47. Plaintiff repeats and re-alleges each and every allegation as if set forth in full herein.

48. Throughout the Class Period, Defendants, singly and in concert, directly or indirectly, engaged in a common plan, scheme and course of conduct described herein, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and a course of business which operated as a fraud upon Plaintiff and other members of the Class; made various false statements of material facts and omitted to state materials to make the statements made not

misleading to Plaintiff and the other members of the Class; and employed manipulative or deceptive devices and contrivances in connection with the purchase and sale of Citigroup stock.

49. The purpose and effect of Defendants' plan, scheme and course of conduct was to artificially inflate the price of Citigroup stock and to artificially maintain the market price of Citigroup securities.

50. Defendants, which includes the top officers of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other Citigroup personnel to the SEC, securities analysts and members of the investing public, including Plaintiff and the Class.

51. As a result of the foregoing, the market price of Citigroup securities was artificially inflated during the Class Period. In ignorance of the falsity of the reports and statements, and the material misstatements by Defendants regarding the financial condition and growth prospects of Citigroup during the Class Period, as well as the deceptive and manipulative devices and contrivances employed by Defendants, Plaintiff and the other members of the Class relied, to their damage, on the reports and statements described above and/or the integrity of the market price of Citigroup during the Class Period in purchasing Citigroup common stock at prices which were artificially inflated as a result of Defendants' false and misleading statements.

52. Plaintiff, and the other members of the Class, would not have purchased Citigroup common stock at artificially inflated prices had they known of the material adverse information which Defendants did not disclose.

53. Defendants' concealment of this material information served only to harm Plaintiff and the other members of the Class who purchased Citigroup common stock in ignorance of the financial risk to them as a result of such non-disclosures.

54. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

55. By reason of the foregoing, Defendants have violated Section 10(b) of the Securities Exchange Act and SEC Rule 10b-5 promulgated thereunder and are liable to the Plaintiff and the other members of the Class for the substantial damages which they suffered in connection with their purchase of Citigroup common stock during the Class Period.

COUNT II

Violation of Section 20(a) of The Exchange Act Against the Individual Defendants

56. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

57. During the Class Period, the Individual Defendants by virtue of their offices and/or directorships and their specific acts were, at the time of the wrongs alleged herein, controlling persons of Citigroup within the meaning of Section 20(a) of the Exchange Act. The Individual Defendants had the power and influence and exercised the same to cause Citigroup to engage in the illegal conduct and practices complained of herein by causing the Company to disseminate to the public, or through analysts, the materially false and misleading information referred to above.

58. The Individual Defendants' positions made them privy to and provided them with actual knowledge of the material facts concealed from Plaintiff and the Class by Citigroup during the Class Period.

59. By reason of the conduct alleged in the First Count for Relief, Defendants Prince, Rubin, Volk, Krawcheck, Crittenden, and Druskin are liable for the aforesaid wrongful conduct and are liable to the Plaintiff and the members of the Class for the substantial damages which they suffered in connection with their purchases of Citigroup common stock during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on its own behalf, and on behalf of the other members of the Class, pray for judgment as follows:

(a) Declaring this action to be a proper class action, certifying Plaintiff as Class representatives and its counsel as Class Counsel;

(b) Declaring and determining that the Defendants violated the federal securities laws by reason of their conduct as alleged herein;

(c) Awarding money damages against the Defendants, jointly and severally, in favor of Plaintiff and the other members of the Class for all losses and injuries suffered as a result of the acts and transactions complained of herein, together with prejudgment interest on all of the aforesaid damages which the Court shall award from the date of said wrongs to the date of judgment herein at a rate the Court shall fix;

(d) Awarding Plaintiff its costs and expenses incurred in this action, including reasonable attorneys', accountants' and experts' fees; and

(e) Awarding such other relief as may be just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: January 7, 2007

Respectfully submitted,

By: ______________________

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Counsel for Plaintiff Judy Fisher

CERTIFICATION OF REPRESENTATIVE PLAINTIFF PURSUANT TO FEDERAL SECURITIES LAWS

I, Judy G. Fisher, duly swear and say, as to the claims asserted under the federal securities laws, that:

1. I have reviewed the complaint styled, *Judy G. Fisher v. Citigroup, Inc., et al* and authorize the filing of a substantially similar complaint on my behalf.

2. I did not purchase the securities, exercise options or enter into any agreement that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action.

3. I am willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.

4. I purchased shares in Citigroup, Inc., which company is the subject of this action, during the Class Period as follows:

Acquisition Date	Number of Shares	Price Per Share
4/2/07	23	$50.84
4/4/07	16	51.3413
4/10/07	4	52.40
5/4/07	1	54.23
6/11/07	1	53.53
7/9/07	9	51.53
8/22/07	2	47.75
9/7/07	1	45.86
9/26/07	14	46.37
10/9/07	1	47.37
10/25/07	2	40.83

5. I have sold shares in Citigroup, Inc. as follows:

5/3/07	1	53.95
7/10/07	2	50.99
7/24/07	16	49.45
8./3/07	14	46.44
8/27/07	2	47.87
10/5/07	1	48.65
10/18/07	1	43.88
11/9/07	27	33.2633
11/14/07	10	36.3545

6. I have not served, nor sought to serve, as a class representative in any federal securities fraud cases in the last three years.

7. I will not accept any payment for serving as a representative party on behalf of the class beyond the plaintiff's pro rata share of any recovery, or as ordered or approved by the Court, including any award for reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 3rd day of January, 2008.

Judy G. Fisher

Judy G. Fisher

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